The Agricultural Task Force on Bovine Spongiform Encephalopathy Report

October 2003

October 29, 2003

Dear Minister d'Entremont,

It is with pleasure that we present to you our Agricultural Task Force Report on Bovine Spongiform Encephalopathy (BSE).

The community meetings held in Wentworth, Antigonish, Brookfield and Kentville were very well attended and the presentations were very informative.

As a result of what we heard at these meetings the Task Force has put forward two recommendations we believe will help the industry deal with the immediate issues facing their industry.

Thank you for considering these recommendations. If there is anything we can do to clarify any points in the report please do not hesitate to contact any of us.

Sincerely submitted,

Brooke Taylor (Chairperson)	Stephen McNeil
George Archibald	Kurt Sherman
Don Cox	Anthony Van Oostrum
Leo Cox	Larry Weatherby

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INTRODUCTION

The Agricultural Task Force on Bovine Spongiform Encephalopathy (BSE) is composed of the following people:

- Brooke Taylor (Chairperson), MLA Colchester - Musquodoboit Valley
- George Archibald, former Minister of Agriculture
- Don Cox, Producer, First Vice-President N.S. Federation of Agriculture
- Leo Cox, Producer, Chair Nova Scotia Farm Loan Board
- Stephen McNeil, MLA Annapolis, Liberal Agriculture Critic
- Kurt Sherman, Producer
- Anthony Van Oostrum, Producer, Past President N.S. Federation of Agriculture
- Larry Weatherby, Producer

The Task Force met with producers and other people associated with agriculture related businesses on four separate occasions in Wentworth, Antigonish, Brookfield and Kentville. The sessions were held from 1:00 p.m. until 5:00 p.m. and reconvened 6:00 p.m. until 8:30 p.m. Each session was very well attended. Over 75 presentations were delivered.

Participants were asked to explain how BSE has impacted their farming operation and, if current programs are meeting their needs.

The Task Force worked within a very tight time frame. On October 3, 2003 the Honourable Chris d'Entremont, Minister of Agriculture and Fisheries announced the establishment of an Agricultural Task Force on BSE. All three political parties were asked to participate in the non partisan task force. Minister d'Entremont asked that a report be prepared by October 31, 2003.

While this report does not fully address every issue brought forward at the community meetings it does offer some immediate direction for the government in response to the issue of BSE. This report is based on what the Task Force committee members heard from the agriculture industry over the last month.

The report includes goals and objectives, representation and resources, time frame, summary and recommendations.

GOAL and OBJECTIVES

The goal of the Agricultural Task Force on BSE was to assess the government's response to the BSE situation by October 31, 2003. In pursuing this goal, the Task Force was guided by the following objectives:

1. determine the impacts of the BSE crisis on the Nova Scotia agricultural industry;

2. determine the capacity of existing federal, provincial and other industry programs to address these impacts.

REPRESENTATION

The Nova Scotia Task Force on BSE was chaired by Mr. Brooke Taylor, MLA for Colchester - Musquodoboit Valley. The Task Force included representatives from the Nova Scotia agriculture industry, related sectors and others with an interest in the agricultural industry in Nova Scotia.

RESOURCES

Activities of the Task Force on BSE were supported by the Minister of Agriculture and Fisheries. This included financial support for secretariat services; meeting expenses; travel costs; per diem for Task Force representatives; and reporting expenses.

The Task Force, at the discretion of the Chair, may have contacted staff within the Department of Agriculture and Fisheries, or staff within other departments or agencies for information to support the goals and objectives of the Task Force. This input may include logistical support for Task Force meetings, in addition to technical background on program actions taken and projected impacts.

REPORTING and TIME FRAME

The Task Force was asked to submit a final report to the Minister of Agriculture and Fisheries by October 31, 2003.

SUMMARY

Barns are overcrowded, farmers are emotionally and financially stressed, agricultural businesses are losing sales, employees are being laid off, animal health is in jeopardy and so is the fabric of Nova Scotia's rural economy. How did we get here? It is a story about one Alberta cow diagnosed with BSE (Bovine Spongiform Encephalopathy) or "mad cow disease" in May 2003 and the impacts felt here almost 5000 kilometers away.

More that 75 presenters - farmers, business owners and veterinarians made very poignant pleas for help to deal with the issue of BSE. The presenters were supported by many more who attended the four community meetings held in Wentworth, Antigonish, Brookfield and Kentville.

Presenters shared with the Task Force the impact of BSE on their lives and livelihood. The stories were told over and over again. The impacts are not simply felt by one cattle farmer, one community, one commodity or one economy. The impacts are far reaching - a Canadian issue, a provincial issue and a community issue. The impact of finding one cow with BSE has reverberated throughout the entire agricultural industry. It was stated that anyone who depends on agriculture for their farming operation, related business or employment will feel the impact of a farmer not being able to produce, grow and sell their cattle.

The simple fact is that our country's food safety controls worked as they should. The system was successful, but to what end.

The result was finding one cow with BSE within a system that sees millions of cows slaughtered each year. Canadians should feel relieved and proud that their food inspection system is so reliable. The feeling however is far from joyous as the United States, our most important marketplace remains closed to our business. While some suggest the continued border closure is purely political the task of opening the border seems out of the control of the people working everyday to make their farm operations succeed. There will be resolve but at what cost. The hope of an opened border does little to help a farmer trying to pay overdue bills. The reasons for the US border remaining closed are out of the hands of the province's local beef producer although the issue is felt right here.

The Task Force heard that solutions should come from within the province and the industry. Some say this is the worst disaster to hit Canada, others say Nova Scotia. Within the last number of years farmers in Nova Scotia have dealt with the every day business of running a farm along with having to deal with drought, a flood and recent Hurricane Juan. For some BSE could not have happened at a worse time, it simply compounds the difficult survival issues facing the industry today.

During their presentations farmers were appreciative that the Task Force was established although many expressed frustration that a Task Force was even necessary commenting that government should already know what is happening in the industry.

BSE is not just a beef farmer's issue but an issue for the entire agriculture industry.

The overall impact appears to be felt throughout the province's rural economy. It was eluded to on several occasions that when a farmer makes money everyone benefits, from the feedlot owner to the grocer to the service station. The community as a whole shares in the income. In 2002 the cattle and calves sales in Nova Scotia were $30 million and accounted for 7.5% of the province's agricultural product sales. Nova Scotia has 800 cattle farms, many of which are part-time operations. Another 900 farms, including dairy farms also raise and sell cattle.

Presenters expressed their need for help describing their everyday struggles to maintain their farms and animals. Many farmers and their families are not only financially pressed but emotionally and physically strained. There is concern for the future of this agriculture sector.

Participants were asked to address two questions.

The first question, how has the BSE crisis impacted your farm operation?

The answers were varied depending on the other farm income, the size of the operation, the income levels and support of lenders. Although the answers were varied there were many similarities. Farmers are reporting lower than acceptable prices at the cow calf sales. For many selling their cattle at this drastically reduced price was not acceptable. The cost of raising that calf would not be covered by the depressed prices being offered at the spring or fall cattle sale. With the decision made to not sell their cattle farmers are now housing and feeding more cattle than planned.

Along with the inability to gain income they are now spending more money, time and resources on finding a place for the cattle to live before winter, feeding more cattle and worrying about possible animal health issues.

Some rural business owners related their sales being down by 40% -50 % because farmers are not investing in new equipment. Businesses also report that accounts receivable are up and they are repossessing machinery and laying off employees.

According to Statistic Canada and the Nova Scotia Department of Finance figures (1998-1999) show over 4,080 people in Nova Scotia are employed on the farm.

Farmers expressed their financial problems due to the BSE issue explaining that the impact is another blow to an industry already dealing with many issues. Many reported that their lines of credit are getting too high, and livestock once used to be collateral for borrowing is now the very thing being used against them.

Veterinarians spoke about receiving fewer animal health calls saying that farmers can not afford to take the necessary steps to do preventative animal health not because they don't care but because financial issues may cause them to delay their calls. There is an issue of over crowded barns. The large animal veterinarians talked of laying off employees until things improve.

Farmers want a place to send their cattle to slaughter saying that there are not enough options. Some support the newly proposed slaughter facility in P.E.I. and others support the development of a Nova Scotia federally inspected slaughter facility.

There is concern that the 'middleman' is making money while the producer is dealing with low prices and consumers are still paying the prices of pre- BSE.

Many farmers expressed concern that they would need a cash infusion before Christmas or they will be out of business in the new year.

Tourism could be hurt if farmers abandon their farms saying that the fields would grow over with grass and alders, changing the beauty of the landscape many visitors enjoy as they travel rural Nova Scotia.

Dairy farmers are experiencing costs associated with trying to cope with aging cull cows as there are no markets.

Farmers also expressed discontent with government, believing that their contribution to the overall provincial economy is important. Many expressed concern about the apparent lack of awareness of urban dwellers of their plight.

Many have stated that they are concerned about the next generation of farmers. Many say they will not encourage their sons and daughters to enter the farming business.

The second question presented, do the current department programs meet your needs?

Many farmers found this question difficult to answer blaming the complexity of the programs, the number of programs and the ever changing parameters of the programs. Many said that the present programs are complicated and the application process is time consuming and bureaucratic.

While some indicated that it was favorable to leverage federal dollars under the new Agricultural Policy Framework system the programs are for the most part unknown or not built to meet the needs of Nova Scotia farmers.

One program, Net Income Stabilization Account (NISA) was viewed by some as worthless as they did not have enough money invested in the program to be helpful.

Producers expressed a need for a 'made in Nova Scotia' program. One that could be developed for their unique Nova Scotia industry and made to fit the leveraged federal requirements.

Some felt the BSE Recovery Program was helpful to the slaughter business but that the program ended too soon. Many asked for an extension of that program.

Beef farmers commented that the margins have been so tight for so many years that they have no extra cash for investing in new risk management programs.

The Farm Investment Fund was viewed as helpful. The crop insurance program while helpful does not provide full coverage.

All in all the majority of producers expressed concern for the current programs as they relate to BSE saying that BSE is a unique crisis and does not fit into the current program parameters.

RECOMMENDATIONS

In response to the presentations the Task Force has made two recommendations:

1. **Provide immediate funding of $400 for breeding aged beef cows.**

2. **Re-establish a Nova Scotia BSE Recovery Program modeled after the previous program. This program would be retroactive to September 2003.**

It is also noted that every consideration should be given to the recommendations put forward by the Cattlemen's Association of Nova Scotia and the Nova Scotia Federation of Agriculture on the future of agriculture.

It is suggested that there be an industry/government BSE Advisory Group created to examine the long term impacts of BSE and develop remedial actions to help maintain the competitiveness of the Nova Scotia agricultural economy.

The Task Force is more than willing to assist in any way it can to help the agriculture industry plan for the future.

In conclusion, the industry has expressed to the Task Force that an issue of this magnitude is a crisis and that there is no current program to help them get through this financial hardship. Government financial intervention should be viewed as an investment in the present and future of agriculture in Nova Scotia.